GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1651
ANSWERED ON:01.12.2006
INCREASE IN NON- PLAN EXPENDITURE QUESTION
Singh Shri Uday

Will the Minister of FINANCE be pleased to state:

(a) whether the non-plan expenditure of various Ministries/Departments is increasing day by day and had an adverse impact on economy;

(b) if so, the facts and details thereof; and

(c) the steps taken by the Government to check the non-plan expenditures of the Ministries/Departments?

Answer

Minister of State in the Ministry of Finance (SHRI PAWAN KUMAR BANSAL)

(a)&(b): Trends in non-Plan expenditure of the Central Government may please be seen in Annex 3 of the document titled `Expenditure Budget Vol. I` for Budget 2006-07, which forms part of the set of Budget documents. It would be seen that bulk of the increases in the non-Plan expenditure are in interest payment, defence expenditure, subsidies, police, pension, grants to States (under the award of the Finance Commission) etc. The impact of different types of Government expenditure on economy depends on several variables and hence difficult to assess. Non-Plan expenditure is necessary for the Government to discharge basic functions of a State including defence and internal security and meeting debt service obligations. Subsidies, pensions and maintenance of assets created over successive Plan periods constitute other significant components of non-Plan expenditure.

(c) : It has been the constant endeavour of the Government to contain the growth of non- Plan expenditure, while meeting inescapable commitments of debt servicing, external & internal security; subsidies to the needy; and salaries and pensions. This is done with a view to increase the availability of resources for developmental programmes. Expenditure management measures taken from time to time are detailed in the Statements presented by the Finance Minister to both the Houses of Parliament after quarterly review of the trends in receipts and expenditure in relation to the budget, as required under the Fiscal Responsibility and Budget Management Act, 2003.